

**House Education and Workforce Subcommittee on
21st Century Competitiveness**

Testimony on “*Welfare to Work: Ties Between TANF and Workforce Development*”
Tuesday, March 12, 2002 at 2:00 p.m.
Room 2175 Rayburn HOB

Good morning, Mr. Chairman and members of the Subcommittee. I am Greg Gardner, Interim Executive Director of the Utah Department of Workforce Services. Today, I am testifying on behalf of the State of Utah. Thank you for the opportunity to speak today on the ties between Temporary Assistance for Needy Families (TANF) and workforce development.

The Department of Workforce Services (DWS) is the product of Utah’s bold vision for the future of quality workforce development. It is a consolidation of all employment related functions into a comprehensive service delivery system. Now job seeker and employer customers can access the services they need without the confusion and burden of working with multiple agencies. Utah was one of the first states to consolidate employment and welfare programs and to establish a statewide system of "one-stop" Employment Centers. A key accomplishment of the department’s consolidation has been the total revamping of its service delivery structure. The center piece of the structure has been our thirty-eight “one-stop service centers” that offer a full array of employment, training, and case management, and supportive services such as; TANF, child care, food stamps, medical assistance, and unemployment insurance, to the job seeker.

The agencies subsumed under DWS on July 1, 1997 were:

- **The Department of Employment Security** (or "Job Service") which administered Unemployment Insurance (UI), employment services, and labor market information.
- **The Office of Family Support** which administered public assistance programs such Aid to Families with Dependent Children (AFDC), Food Stamps, and subsidized child care.
- **The Office of Job Training** which coordinated job training programs including the Job Training Partnership Act (JTPA).
- **The Office of Child Care** which was created to assure quality child care is available to those who need it.
- **The Turning Point Program** which served displaced homemakers with educational opportunities and other employment related services.

The national environment of workforce development has also evolved substantially since the creation of DWS. Changes to federal programs include the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) and the 1998 Workforce Investment Act (WIA).

Welfare Reform in Utah

In 1993, Utah received a federal waiver to launch its welfare reform program that was designed to increase income through earnings and child support. Utah's strategy was a

departure from AFDC, where the focus was placed on universal engagement in activities leading to employment, a self-sufficiency plan and full-family case closure for non-participation. Utah achieved great success in moving families off of welfare and into work through an individualized case assessment, diversion assistance, employment and training and on-going case management. When the federal welfare law was enacted, Utah implemented a 36-month lifetime time limit with extensions for: those who are medically unable to work, victims of domestic violence, parents caring for the medical needs of a dependent, those unable to complete education or training programs due to the state's inability to deliver needed services. The integration of workforce programs directly supported Utah's welfare reform efforts by making comprehensive employment and training services available to our cash assistance customers in each of our one-stop centers.

WIA has also significantly impacted our role by ensuring that we provide employment and training services to the "universal customer," rather than to income-eligible participants. This law has also substantially expanded the customer base previously served under JTPA. Workforce services agencies everywhere are required to provide at least three levels of employment and training services (core, intensive, and training) to everyone, including a new emphasis on youth. This can only be done in collaboration with other agencies and partners by leveraging essentially the same amount of federal funds as were available under JTPA with other state and federal funding resources.

Utah's One-Stop System

DWS' one-stop system, and the wide array of services it offers, is more able to meet the diverse needs of our customers. Services are available universally to all DWS customers and are geared toward assisting job seekers find their first job, better job and career. When job seekers or employers call or come into a local employment center, their employment needs are assessed to determine which services are most appropriate.

DWS helps customers advance in the workplace through the use of the services it offers in its employment centers. Our organizational philosophy is that entry-level positions are intended to be a stepping stone towards skill development and greater employment opportunities. Every customer, whether they are a single-parent returning to the workforce or a displaced worker, is invited to return to us for additional employment and/or training opportunities.

One of the benefits of our integrated system has been our ability to leverage resources to better serve the "universal customer" as defined by WIA. For example, several million dollars of TANF funds have been made available to provide training services to TANF-eligible customers. By using TANF funds to pay for customers who are low income and have children in the home, more WIA funds can be used for individuals who may not have children, are universal customers, or are considered part of the working poor. Under our consolidated system, customers also have access to important work supports such as child care, food stamps and medical assistance.

Utah's one-stop system is especially important in light of the changing economy. Like many other states, Utah has been successful in moving its welfare customers into

employment and has received two bonuses from Health and Human Services for job placement and retention. At the same time, there has been much national debate about the adequacy of the unemployment insurance system and if it will protect those most vulnerable to layoffs. Utah is proud of its efforts in welfare reform and is in an excellent position to help those who may be laid off during these rough economic times because of its one stop system. Although not everyone is eligible for unemployment insurance when they become unemployed, Utah is able to serve them through our one-stop centers and provide them with the needed career counseling, training services and supportive services while they attempt to get back on their feet.

Lastly, our one-stop system provides continued support to the employed and underemployed through its self-help “job connection rooms” and no-stop Web services. Governor Michael Leavitt’s vision is that all state government services be available over the Internet by the year 2004. Currently, electronic services available to all customers include resume preparation tools, job referrals, jobs skills workshops, skills testing, unemployment insurance, and more. Web-based registration and job matching services will be going online in September of this year.

Business Services

Employers are critical to the success of the Department of Workforce Services (DWS). Businesses, large and small, are integral DWS customers and are key members of the State Council, Regional Councils, and Employer Committees. Business representatives regularly consult DWS on marketing, day-to-day operations, and the quality of the services DWS provides. They help DWS, understand the labor market, offer suggestions for improvement, and often provide important resources that are otherwise unavailable. Utah’s businesses also help us know what skills sets our financial assistance customers need to be successful in the workplace.

The integration of workforce services in Utah has also provided our employers a comprehensive set of services such as: partnerships with economic development agencies to assist new and expanding businesses; education on work/life issues; access to an expanded applicant pool that includes TANF recipients who are looking for work; training services including basic skills, re-training, and skills upgrading; Welfare-to-Work and Work Opportunity Tax Credits; Veterans’ services and rapid response and pre-layoff intervention services.

Challenges

The challenges facing our workforce system can be summed up in two areas: (1) funding and (2) simplification and alignment of federal rules and regulations.

Funding

States have demonstrated their ability to administer a program with a block-grant structure. The flexibility allowed under the TANF block grant has allowed states to model programs based on their specific needs. However, one-stop employment center funding provided by the WIA and Wagner-Peyser funding streams do not adequately

support the one-stop vision. Utah has been able to leverage resources and take advantage of the flexibility provided under the Temporary Assistance for Needy Families block grant to keep a physical presence in all areas of the state and to provide customers seamless access to all of the employment and supportive services we provide.

However, this causes some administrative problems when a state such as Utah, tries to integrate the multiple funding streams available under TANF, WIA, Wagner-Peyser, Unemployment Insurance/Employment Service, Food Stamps, Child Care, etc. These funding silos, often with conflicting eligibility criteria, continue to make true program integration a challenge. In addition, federal grants have overlapping uses but are earmarked for services to select segments of the population, requiring us to “profile” or “Pigeon hole” people in order to serve them. This “silo” funding approach is a major inhibitor to efficient service delivery in a one-stop setting.

For example, serving “universal” job seekers, as defined under WIA, in a one-stop environment utilizes funds provided by multiple programs (Wagner-Peyser, WIA, Food Stamps Employment and Training, TANF, etc.). Reporting back to federal and state lawmakers on the use of “pooled” resources is challenging. Providing services in a truly integrated one-stop system is easier than the accounting mechanisms required for those funds.

Simplification and Alignment of Federal Rules and Regulations

Utah has been able to provide customers access to a wide variety of services in a seamless manner, however, we continue to face challenges because of a lack of alignment between federal rules and regulations. Utah often faces conflicting performance outcomes, definitions and eligibility criteria, data collection requirements and reporting systems between programs. For example, differences in the definitions of eligibility criteria between federal funding streams encumber the delivery of services in a one-stop environment.

States are required to determine household composition differently under the TANF block grant than WIA. For example, under TANF states are required to count all children and adults living in a household for eligibility purposes. Income and assets are counted for every individual in the household and are used to determine eligibility regardless of whether or not the child’s parents are married. Under WIA, blood, marriage, or decree of court defines the family unit. This means that a household where both parents are present in the home, but not married, would be considered a single parent household with only the mother and child’s income used to determine eligibility.

The complexity of program rules and requirements has been a significant burden on our front line workers as they attempt to provide integrated services in a consistent and accurate manner. On average, it takes an eligibility worker one year to learn the complex program rules and requirements required for each of the programs we administer.

Simplification and alignment of federal rules and regulations by legislative changes or through waiver authority, is critical if you want to support truly integrated service delivery. We support the Administrations’ provisions for “super waivers” and would

volunteer to implement demonstration programs that would test a truly integrated one-stop system.

Conclusion

I do believe we are at the beginning of an unprecedented era in this country's workforce history. With some additional investment and encouragement by Congress, I know that whether we have a high-tech employer come to our office to participate in a job fair or a low-income mother with two kids looking for her first job, our system is prepared to meet the challenges of the new economy. Thank you for this opportunity and I would be happy to respond to any questions that you may have.